



MEMORANDUM

DATE: November 19, 2004

TO: Members of the Mayor and Council
Subcommittee on Downtown and
Rio Nuevo

FROM: Karen Thoreson
Assistant City Manager

SUBJECT: Downtown and Rio Nuevo Strategic Plan 2005-2006

Per direction from the Mayor and Council, each Subcommittee was asked to review their portion of the draft 2005/2006 Strategic Plan.

Attached for your review is the Downtown Focus Area portion.

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Downtown Focus Area



Introduction:

Tucson is at a crossroads with respect to the future of its downtown, the core of our metropolitan region. Tucsonans face a choice of living in a good city with a downtown of no particular note or in a great city known for its world-class downtown.

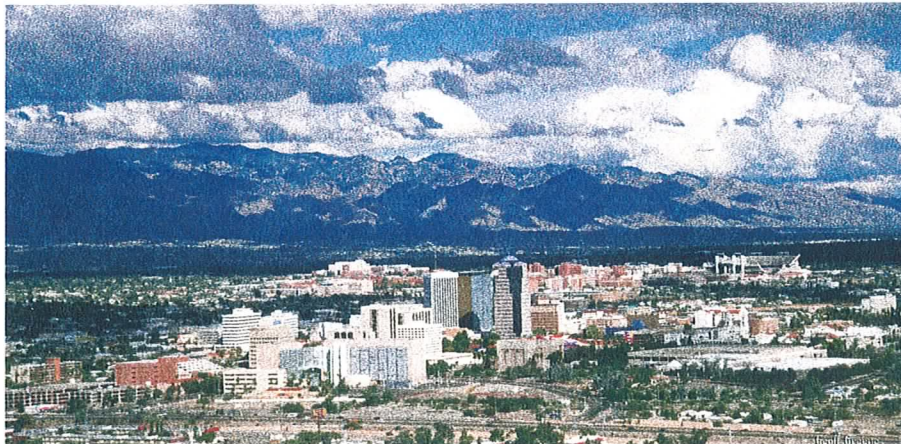
Tucson's downtown would:

- be full of life beyond the weekday hours of 8 a.m. to 5 p.m., teeming with new residents craving an exciting urban lifestyle
- be frequented by visitors and Tucsonans alike, eager to enjoy the experiences of a variety of cultural, artistic, retail, and entertainment venues
- celebrate the rich history and traditions of Tucson through the built environment, while respecting and enhancing the natural environment

This vibrant vision of downtown Tucson can be realized, but it requires more than just implementation of the Rio Nuevo Master Plan. Rio Nuevo is but a part of the downtown, and essentially the City's contribution to a much larger revitalization strategy. The projects within the Rio Nuevo district are intended to leverage private sector development and reinvestment. Rio Nuevo is then the catalyst for the private sector activity that will take downtown Tucson to the next level. The tax increment revenue from the State began to stream in FY 2004 and much progress was made on critical projects. However, more needs to be done to stimulate the downtown marketplace. Toward that end, the City will ensure a clear and predictable regulatory environment; be proactive in seeking out and facilitating economic development; and forge partnerships to enhance capacity.

Strategic Policy Statements:

1. *Aggressively manage downtown's redevelopment* through partnering efforts with public and private organizations and individuals active in the downtown.
2. *Provide a highly "amenitized" urban center* focused on the proposed entertainment experience area on Congress Street from Church Avenue to 4th Avenue, linked with the Tucson Convention Center and its adjoining proposed new Civic Plaza.
3. *Leverage private leadership and investment* in downtown through targeted public investment.



1. Aggressively manage downtown's redevelopment through partnering efforts with public and private organizations and individuals active in the downtown.

Priority Projects:

The Post Project (a.k.a. Thrifty Block Redevelopment) – The former “Thrifty Block” located from 26 to 72 East Congress Street in downtown Tucson will be sold to a local developer following Mayor and Council approval on June 14, 2004. The sale will result in the construction of approximately 60 condominiums, 13,000 square feet of ground floor retail space and parking garage. The property, acquired from the U.S. General Services Administration, is another step toward making downtown Tucson a livable urban environment. The project scope will also include the preservation and renovation of an historically significant building.

Warehouse Arts District Master Plan – The City will obtain Arizona Department of Transportation assets in the Warehouse District of Tucson. Following this acquisition, an area master plan that ensures the viability of the Barraza-Aviation parkway construction will be developed with special attention paid to protecting historic assets where possible and continuing an artist-based presence in the District.

Fox Theatre Restoration – Restoration of the Historic Fox Theatre on Congress Street continues. As part of Rio Nuevo's downtown revitalization, the once popular Tucson landmark will be restored to its original luster.

Rialto Theater/Block Redevelopment – The Rio Nuevo Board and Citizens Advisory Committee have conditionally approved \$1.9 million in Rio Nuevo funds for the acquisition of the historic theatre and its renovation. The theatre will be programmed for wider audiences. This project is Phase I of a larger plan to redevelop the Rialto Block into a mixed-use facility.

Depot Plaza Mixed Use Development –

Located across Toole Ave. from the Historic Train Depot, this 2.3-acre site is planned for mixed-use redevelopment with market and affordable housing and

commercial space. The planned housing, restaurant, office and retail space will center on a public plaza in east downtown.



Historic Depot – Beautifully restored to its 1941 façade, the Historic Depot is an anchor for the East End and the first of the major Downtown revitalization projects to be completed. A transportation museum, a restaurant, offices, and shops will soon fill the Depot and its outbuildings, giving residents and visitors alike even more reasons to visit the East End.



Mercado at Menlo - The Rio Development Company will develop 200 housing units and 16,000 square feet of retail/commercial space in the Mercado District of Menlo Park. The proposed housing development will be a mix of 116 affordable and market-rate, single-family residences, 60 apartments and 24 townhomes. All 200 units will be constructed at a variety of price points and diverse styles.

Presidio Terrace (Lot 7, El Presidio Development) – Vacant land adjacent to Tucson Water's headquarters and across from the Tucson Museum of Art will soon encompass a 60-home residential development designed to reflect the history and unique character of the El Presidio neighborhood. Neighborhood-friendly commercial space and an attractive parking facility will also be included at Presidio Terrace in this multi-level structure designed to portray the “sense of place” unique to Tucson.

General Services Administration (GSA)/ U.S. Attorney's Office Building Development –

The General Services Administration (GSA) will lease 70,000 square feet of office space to accommodate the United States Attorney's Office, who must move by the Fall of 2006 to make room for new judicial space requirements within the Federal Courthouse. Several interested development teams formally recommended the property immediately west of the City-State Parking Garage on West Congress. In their opinion, this site would offer the most reasonable proximity to the courthouse, excellent exposure, excellent vehicular access and parking, and an opportunity for the facility to make a positive impact as a gateway to downtown.

2. Provide a highly “amenitized” urban center focused on the proposed entertainment experience area on Congress Street from Church Avenue to 4th Avenue, linked with the Tucson Convention Center and its adjoining proposed new Civic Plaza.

Priority Projects:

Civic Arena – As part of the Rio Nuevo downtown revitalization project, the City of Tucson may build a state-of-the-art multipurpose arena and event center to replace the functionally obsolete existing facility. This arena is a key element of the new civic plaza and overall downtown master plan. Such a facility will attract more events to the community, bring more visitors to downtown, and provide substantial new revenue sources.



Tucson Origins Heritage Park – The Tucson Origins Heritage Park is one of the cornerstone elements of the Rio Nuevo project. Tucson Origins will celebrate 11,000 years of Tucson history with attractions on both sides of the Santa Cruz River. On the west will be a reconstruction of the Mission San Agustin complex from the late 1700s, including the development of Mission Gardens, the re-creation of a Piman village, a new interpretive center and open space. The intention is to create a very special “sense of place” on the west side of the river. On the east, in the heart of downtown, the Tucson Presidio will be interpreted at Church and Washington Streets. The two project elements will be linked through interpretive and physical linkages across the river and interstate.



Civic & Cultural Plazas – The Civic and Cultural Plazas will serve as a centerpiece linking the downtown Rio Nuevo District to the communities surrounding it. In addition to public open space and parking amenities, the plazas will provide museums, retail, hotel and residential redevelopment opportunities. Major features include the University of Arizona Science Center, historical museums, and a proposed new civic arena.

City Co-Sponsored Community Events –

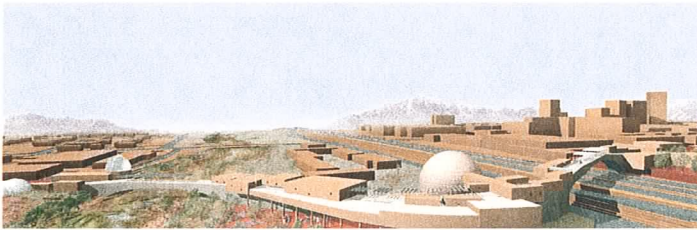
The Mayor and Council allocated funds to help underwrite specific community events in the downtown area. These events will draw residents and visitors to downtown to participate in activities that will feature entertainment, education, retail-opportunities and the arts.

Mayor’s Back to Basics Projects – Back to Basics funds are appropriated annually by the Mayor and Council and can be used for public improvements and to assist property owners and businesses throughout the city.

Congress Streetscape Plan – Congress was identified as the entertainment corridor in the Rio Nuevo Master Plan and in keeping with that idea, the City prepared a comprehensive plan for public improvements along Congress between 4th Avenue and Church Avenue. The City hopes these improvements will enhance visitor, worker, and resident experiences and attract new investments.



Science Center Development – The \$100 million University of Arizona Science Center will include fourteen major components dramatically positioned along a bridge that spans Interstate 10 and the Santa Cruz River. The Science Center, which could open by mid 2008, would include a variety of attractions, including the Flandrau Science Center, Southern Arizona’s first giant-screen IMAX Movie Theater, a café, and shops.



Conversion of One-Way Streets to Two-Way – The adoption of the Rio Nuevo Master Plan called for the conversion of all the one-way streets downtown to two-way streets. These streets include Broadway Boulevard, Congress Street, Sixth Avenue, Stone Avenue, Pennington Street and Alameda Street. The recently completed traffic engineering study indicates that nearly 70% of all traffic entering the downtown area is passing through to destinations other than downtown. Successful downtowns are destinations themselves not throughways to another stop. Two-way streets will support the “to, not through” mantra of the Tucson Downtown Alliance.

3. Leverage private leadership and investment in downtown through targeted public investment.

Priority Projects:

Plaza San Agustin Redevelopment – A group of downtown supporters and investors have spearheaded a conceptual plan for a mixed-use development on South Stone to include retail, housing and a public plaza. Pre-development plans include 62 homes (from 800 to 2,105 square feet, priced from \$135,500 to \$356,000) built over plaza-level commercial and retail space. The proposed Plaza San Agustin would replace surface parking lots and is anchored by the architectural and historic landmark, St. Augustine Cathedral.



East Elevation



North Elevation

Rio Nuevo Pre-Development Planning – The Rio Nuevo Office has identified 3 strategic mixed-use development opportunities in the downtown area: 1) Block 175 owned by the Downtown Development Corporation, 2) 25 acres east of Mercado at Menlo and adjacent to the Santa Cruz, and 3) the corridor from 22nd/I-10 to Cushing. Each site will be assessed to determine overall feasibility, appropriate uses, land availability and assemblage needs, and absorption implications. Development priorities will be established in Fall 2004 based on market analysis.

Rio Nuevo Regulatory Framework – The Rio Nuevo Board would like to enhance the climate for downtown reinvestment by ensuring that: 1) the entitlement processes are predictable and efficient, and 2) the regulatory codes and standards are unambiguous.

Rio Nuevo Fiscal Management – In an effort to actively monitor all of the funding sources and expenditures related to the Rio Nuevo redevelopment, the Rio Nuevo staff will prepare quarterly updates of a 10-year Capital Budget forecast for each Rio Nuevo District-sponsored project from 2004 to 2012. They will also secure operating budget approvals on an annual basis and monitor TIF funding flow from State of Arizona and all district expenditures on a monthly basis.

Private Residential Development – One of the goals of Rio Nuevo is to help increase private development in the Rio Nuevo district and downtown in general. The city has set a goal of developing 2,000 housing units by 2006. Approximately 1,000 units are in the development pipeline.